

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON, ARIZONA
Meeting Minutes
of the
Loan Review Committee

March 11, 2015

Business Development Finance Corporation
335 N. Wilmot Road, Suite 420
Tucson, Arizona 85711
or
Via teleconference
(520) 623-3377
Dial “4” to enter conference
Dial “5150#” when prompted for password

Present: Committee Members

Evelia Martinez, Chair (via teleconference)
Gary Bachman (via teleconference)

Staff

Karen J. Valdez, Business Development Finance Corporation
Gabriel Gomez, Business Development Finance Corporation

The Loan Review Committee Meeting of The Industrial Development Authority of the City of Tucson, Arizona (the “Authority”) was held on **Wednesday, March 11, 2015**, at the office of Business Development Finance Corporation, Tucson, Arizona. All Authority’s Board Members and the general public were duly notified of the meeting.

ITEM	RECOMMENDATION
1. Call to Order.	The meeting was called to order at 3:05 p.m. , with a quorum present.
<p>2. Review and request for a recommendation to the Board of Directors of the Authority concerning a loan request from Business Development Finance Corporation (“BDFC”) for a participation agreement with BDFC in an amount not to exceed \$92,000 related to BDFC’s loan to AZ Central Point East, LLC, an Arizona limited liability company.</p> <p>The Loan Review Committee reviewed a request for participation in a BDFC loan to AZ Central Point East, LLC dba Dakota Pro. The following information was presented by Gabriel Gomez:</p> <p>Borrower: AZ Central Point East, LLC Operating Company (“OC”) Dakota Holdings, Inc. (Parent Co.) BDFC Loan Total: \$184,000.00 IDA Loan amount: \$92,000 IDA participation Perm Loan: 7 year Term - fully amortizing Rate to IDA: 6.75% (subject to change), (5.75% net of 100 basis point servicing fee to BDFC) Purpose: To finance Machinery & Equipment and Renovations required for installation. Total Project Cost: \$184,000.00 Basis of eligibility: Section 3(a) of Loan Policy – Economic Development Job creation: 5 FTE</p>	<p>It was the consensus of the Loan Review Committee to present, to the full Board of the Authority, a recommendation for approval for a loan, to be made in participation with Business Development Finance Corporation, to in an amount not to exceed \$92,000 pursuant to the structure, terms and conditions discussed and outlined in the credit memo dated March 9, 2015. Motion carried.</p>

<p>Collateral: UCC: Machinery & Equipment 3rd lien on commercial building Personal Guaranties</p> <p>G. Gomez stated that the purpose of this loan is to provide financing to AZ Central Point East, LLC dba DakotaPro, a database center and internet service provider to be used for the purchase of a new back-up generator and the associated renovations costs to install it. Business is located at 4003 E. Speedway Blvd (Alvernon/Speedway), Tucson, AZ.</p> <p>Late 2014, the city of Tucson advised the borrower that there were some issues involving the fencing across the back parking lot and the existing generator (originally installed and paid for by an existing third party tenant: Login) which was installed in a location that did not meet city code. This kicked off a rather large research and design project that in collaboration with the city has culminated into this project. On Feb 17, 2015, the city approved the new plan and has issued the required permits. The city of Tucson wants this done as soon as possible, so Borrower has set an estimated-completion date of April 2015. The new generator has been ordered and is estimated to be available by April 1st.</p> <p>Discussion ensued regarding:</p> <ul style="list-style-type: none"> • Financing scenarios • Business description • Management • Analysis/Comments • P&L Comments • Cash flow notes • Proposed loan structure, collateral, and loan terms • Tucson IDA loan policy requirements • Risks & strengths 	
<p>3. Call to the public. This is the time for the public to comment. Members of the Authority's Board of Directors may not discuss items that are not specifically identified on the Agenda. Therefore, pursuant to Arizona Revised Statutes Section 38-431.01(G), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism or scheduling the matter for further consideration and decision at a later date.</p> <p>There was no one in the audience who wished to address the Committee.</p>	
<p>4. Adjourn</p>	<p>A MOTION was made and seconded (G. Bachman / E. Martinez) to adjourn meeting. Meeting adjourned at 3:27 p.m. Motion carried.</p>

Submitted by:
Karen J. Valdez
Business Development Finance Corporation

Approved by:
Evelia Martinez, Chair of the Loan Review Committee
The Industrial Development Authority of the
City of Tucson, Arizona